

1-1 By: Kolkhorst, et al. S.B. No. 147
 1-2 (In the Senate - Filed November 14, 2022; February 15, 2023,
 1-3 read first time and referred to Committee on State Affairs;
 1-4 April 13, 2023, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 2; April 13, 2023,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13		X		
1-14		X		
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19			X	

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 147 By: Hughes

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the purchase of or acquisition of title to real property
 1-24 by certain aliens or foreign entities.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 64.001(a), Civil Practice and Remedies
 1-27 Code, is amended to read as follows:

1-28 (a) A court of competent jurisdiction may appoint a
 1-29 receiver:

1-30 (1) in an action by a vendor to vacate a fraudulent
 1-31 purchase of property;

1-32 (2) in an action by a creditor to subject any property
 1-33 or fund to the creditor's ~~his~~ claim;

1-34 (3) in an action between partners or others jointly
 1-35 owning or interested in any property or fund;

1-36 (4) in an action by a mortgagee for the foreclosure of
 1-37 the mortgage and sale of the mortgaged property;

1-38 (5) for a corporation that is insolvent, is in
 1-39 imminent danger of insolvency, has been dissolved, or has forfeited
 1-40 its corporate rights; ~~or~~

1-41 (6) in an action by the attorney general under
 1-42 Subchapter H, Chapter 5, Property Code; or

1-43 (7) in any other case in which a receiver may be
 1-44 appointed under the rules of equity.

1-45 SECTION 2. Section 5.005, Property Code, is amended to read
 1-46 as follows:

1-47 Sec. 5.005. ALIENS. Except as provided by Subchapter H, an
 1-48 [An] alien has the same real and personal property rights as a
 1-49 United States citizen.

1-50 SECTION 3. Chapter 5, Property Code, is amended by adding
 1-51 Subchapter H to read as follows:

1-52 SUBCHAPTER H. PURCHASE OF OR ACQUISITION OF TITLE TO REAL PROPERTY
 1-53 BY CERTAIN FOREIGN INDIVIDUALS OR ENTITIES

1-54 Sec. 5.251. DEFINITIONS. In this subchapter:

1-55 (1) "Control" means ownership of, or the power to
 1-56 directly or indirectly vote, 50 percent or more of the outstanding
 1-57 voting interests of a company or other entity, and includes
 1-58 ownership by an individual through one or more legal entities.

1-59 (2) "Designated country" means a country identified by
 1-60 the United States Director of National Intelligence as a country

2-1 that poses a risk to the national security of the United States in
 2-2 each of the three most recent Annual Threat Assessments of the U.S.
 2-3 Intelligence Community issued pursuant to Section 108B, National
 2-4 Security Act of 1947 (50 U.S.C. Section 3043b).

2-5 (3) "Real property" means:

- 2-6 (A) land;
- 2-7 (B) an improvement;
- 2-8 (C) a mine or quarry;
- 2-9 (D) a mineral in place; or
- 2-10 (E) standing timber.

2-11 Sec. 5.252. EXCEPTIONS: UNITED STATES CITIZENS AND LAWFUL
 2-12 PERMANENT RESIDENTS; RESIDENCE HOMESTEAD PROPERTY. (a) This
 2-13 subchapter does not apply to:

2-14 (1) an individual who is a citizen or lawful permanent
 2-15 resident of the United States, including an individual who is a
 2-16 citizen of a foreign country; or

2-17 (2) a company or other entity that is owned by or under
 2-18 the control of one or more individuals described by Subdivision
 2-19 (1).

2-20 (b) This subchapter does not apply to real property that is
 2-21 an individual's residence homestead, as defined by Section
 2-22 11.13(j), Tax Code.

2-23 Sec. 5.253. PROHIBITION ON PURCHASE OF OR ACQUISITION OF
 2-24 TITLE TO REAL PROPERTY. Except as provided by Section 5.252 and
 2-25 notwithstanding any other law, the following may not purchase or
 2-26 otherwise acquire title to real property in this state:

2-27 (1) a governmental entity of a designated country;

2-28 (2) a company or other entity that is:

2-29 (A) headquartered in a designated country;

2-30 (B) directly or indirectly under the control of
 2-31 the government of a designated country; or

2-32 (C) owned by or under the control of one or more
 2-33 individuals who are citizens of a designated country;

2-34 (3) a company or other entity that is owned by or under
 2-35 the control of a company or entity described by Subdivision (2); or

2-36 (4) an individual who is a citizen of a designated
 2-37 country.

2-38 Sec. 5.254. ATTORNEY GENERAL ENFORCEMENT. If the attorney
 2-39 general has reason to believe that the purchase of or acquisition of
 2-40 title to real property in this state by an individual or entity in
 2-41 violation of this subchapter creates a risk to the health, safety,
 2-42 and welfare of the public, the attorney general may bring an action
 2-43 to enforce this subchapter in a district court in the county where
 2-44 all or part of the real property that is the subject of the
 2-45 violation is located.

2-46 Sec. 5.255. DISCOVERY; SECRETARY OF STATE INTERROGATORIES
 2-47 AND RECORDS. (a) The attorney general may conduct discovery in an
 2-48 action brought under Section 5.254.

2-49 (b) The secretary of state shall on request by the attorney
 2-50 general:

2-51 (1) serve interrogatories on an individual or entity
 2-52 as necessary to determine the ownership or control of a company or
 2-53 other entity that is the subject of an action by the attorney
 2-54 general under Section 5.254; and

2-55 (2) provide to the attorney general all records held
 2-56 by the secretary relating to the ownership or control of a company
 2-57 or other entity that is the subject of an action by the attorney
 2-58 general under Section 5.254.

2-59 Sec. 5.256. DIVESTITURE; APPOINTMENT OF RECEIVER. (a) If
 2-60 the district court finds that the real property subject to an action
 2-61 brought under Section 5.254 was purchased or otherwise acquired by
 2-62 an individual or entity in violation of Section 5.253, the court
 2-63 shall enter an order that:

2-64 (1) states the court's finding;

2-65 (2) divests the individual's or entity's interest in
 2-66 the real property; and

2-67 (3) appoints a receiver to manage and control the real
 2-68 property pending the sale or other disposition of the real
 2-69 property.

3-1 (b) On appointment and qualification, a receiver appointed
3-2 under this section has the powers and duties of a receiver under
3-3 Chapter 64, Civil Practice and Remedies Code.

3-4 SECTION 4. As soon as practicable after the effective date
3-5 of this Act, the attorney general shall adopt rules for the
3-6 implementation of Subchapter H, Chapter 5, Property Code, as added
3-7 by this Act.

3-8 SECTION 5. The changes in law made by this Act apply only to
3-9 the purchase of or other acquisition of title to real property on or
3-10 after the effective date of this Act. The purchase of or other
3-11 acquisition of title to real property before the effective date of
3-12 this Act is governed by the law in effect immediately before the
3-13 effective date of this Act, and that law is continued in effect for
3-14 that purpose.

3-15 SECTION 6. This Act takes effect September 1, 2023.

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